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Sent: Monday, January 27, 2003 9:43 AM

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Subject: RE: Case No. U-12320 - Billing Audit issues

Dear Craig and Bill

The MPSC's January 13, 2003, order requires SBC to address billing auditability issues. SBC assesses to CLECs like WorldCom monthly bills which contain a number of charges. The listing below shows USOCs and the dollar amount associated with certain NRC USOCs as reflected in the bills which SBC sends to WorldCom in Michigan. I have also inserted a narrative description of each listed USOC. It appears that SBC may be assessing to WorldCom multiple charges relating to the same order or the wrong charge in various circumstances.

It is not clear what business rules SBC uses in assessing these USOCs. WorldCom would expect that the improvement or compliance plan which SBC files on February 13 would provide the business rules which describe under what circumstances SBC assesses the following charges so as to assist CLECs in auditing their bills.

NHCHG UNE-P MIGRATION LINE SIDE \$0.35

NR9B6 SVC ORD CHGS BASIC PORT DISC \$1.54

NR9F6 SVC ORD CHGS RECORD BASIC PORT \$1.86

NR9FO BASIC LINE PORT DISC CHARGE \$6.63

NR9OE ANALOG LOOP-DISCONNECT ORDER \$1.54

NR9OG ANALOG LOOP-DISCONN CHG-PER TERMN \$5.85

NR9UU SERVICE ORDER CHARGE-INIT LINE PORT \$3.02

NR9UV SUBSEQ CHANGE CHRGE C ORD \$3.18

NR9UY UNE SVC-ULS-SVC ORD CHG-SBQST RECORD ORD \$1.86

NR9VU ULS-DISCONNECT CHG-CENTREX EKL \$21.78

SEPUC SVC ESTABLISHMENT-UNE SVC-LINE CONNECTION \$17.82

SEPUP SVC ESTABLISHMENT-UNE SVC-ORDER PROCESSING\$3.17

UJR CO PORT - MEASURED - RES \$11.89
UPC CO PORT - MEASURED-BUS-WH VERTICAL FEA PKG\$11.89
VIN SPCL-VISIT CHARGE ASS W/ INSTLN \$71.00
NHCHC SVCORDERCHG-INIT LOOP-PER LOC, PER OCC \$3.16
NR9FP GRD START DISC \$6.63

Additionally, based on the number of transactions for these USOCs which appear on the WorldCom monthly bills, it may be the case that some charges are billed under the wrong USOC or that the same order or transaction is billed under multiple USOCs. To help clarify under which exact situations various USOC charges are assessed, it would be important that the SBC improvement or compliance plan also address the issues in the numbered paragraphs below. In response to the requests pertaining to the USOCs in the issues below, the response should include the USOC abbreviation, narrative description, and amount.

1. On an order by a CLEC to migrate an SBC customer to that CLEC for UNE-P service where the customer adds features to what the customer previously had with SBC, what USOCs does SBC assess? For example, does SBC only assess the NHCHG? Does SBC charge for each of the added features? If any other USOCs are assessed in this situation, which USOCs are assessed? In this type of migration situation, under what circumstances does SBC charge USOC VIN? If there are no new features added, and the customer had two features with SBC and has the same two features with the UNE-P CLEC, what charge does SBC assess the CLEC for the establishment of these two features when the service is migrated to the UNE-P CLEC?
2. If the customer is presently a UNE-P CLEC customer and the CLEC sends an order to remove one feature and add two other features and to change the interLATA PIC, what USOCs does SBC assess?
3. If the customer is a UNE-P CLEC customer, but SBC wins back the customer, does SBC assess any charges to the CLEC? If so, please identify the USOC and where they will appear on the wholesale bill. Do these charges differ depending on whether this is a UNE-P CLEC to UNE-P CLEC migration or an SBC winback? If so, please explain. If the winning CLEC is providing its own switching instead of providing service via UNE-P, does this change what USOCs are charged to the prior UNE-P serving CLEC? If so, please explain.
4. If the UNE-P CLEC sends an order to suspend the service of a customer for non-payment and 7 days later sends an order to restore service, what NRC USOCs are assessed?
5. If the UNE-P CLEC sends a disconnect to SBC, does SBC charge a CO re-wiring charge? What is the charge? When is it assessed? How is it specified on the wholesale bill? Under what circumstances would SBC do CO

rewiring in response to such an order?

6. If the UNE-P CLEC has a customer who is a tenant in an apartment and moves out of the apartment without notifying the UNE-P CLEC, and the next tenant in the apartment contacts SBC to become an SBC local customer, what USOCs are assessed to the UNE-P CLEC in taking down the UNE-P service and establishing the SBC local service for the new tenant?

7. If the UNE-P CLEC sends a disconnect order to SBC, but SBC does not do CO rewiring in response to the order, what USOCs does SBC charge?

8. Under what circumstances does SBC charge USOC UJR to a CLEC which serves a customer via UNE-P?

9. If a CLEC issues an order, but SBC rejects the order, are any USOCs assessed? If so, which ones under what circumstances?

An additional billing audit issue is under what circumstances does SBC charge CLEC customers for toll calls (or charges for interLATA long distance) on traffic that would otherwise be billed as local for an SBC retail customer. For example, in situations where SBC allows its own customers to make and receive interLATA local calls to and from another SBC customer, does it bill these calls as toll calls when either the originating caller or the terminating caller is a customer of a CLEC? If so, how are these type of calls to be identified and the billing to be corrected. If expanded local call areas are further implemented following 271 approval, what steps will be taken to properly bill these interLATA local calls as local calls when the originating caller or the terminating caller is a customer of a CLEC?

Jim